

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

RICHARD MUNCH, Individually and on  
Behalf of All Others Similarly Situated,

Plaintiff,

v.

SPROUT SOCIAL, INC., JUSTYN  
HOWARD, RYAN BARRETTO, and JOE  
DEL PRETO,

Defendants.

Case No.: 1:24-cv-03867

Hon. Jeffrey I. Cummings

CLASS ACTION

**JOINT INITIAL STATUS REPORT**

Lead Plaintiff Employees' Retirement System of the City of Baltimore ("Baltimore Employees" or "Lead Plaintiff"), and Defendants Sprout Social, Inc. ("Sprout Social"), Justyn Howard, Ryan Barretto and Joe Del Preto ("Defendants," and together with Lead Plaintiff, the "Parties"), by and through their respective counsel, hereby submit this joint Initial Status Report:<sup>1</sup>

**I. The Nature of the Case:**

A. Names and contact information for all attorneys of record for each party:

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*Liaison Counsel for Lead Plaintiff*

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<sup>1</sup> As discovery and other proceedings in this action are automatically stayed under the Private Securities Litigation Reform Act of 1995 ("PSLRA") pending the resolution of Defendants' forthcoming motion to dismiss – and given Lead Plaintiff's forthcoming consolidated complaint – many fields in the form Initial Status Report are premature and/or not yet ascertainable. The parties have denoted such fields "N/A" herein.

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*Counsel for Defendants*

- B. The operative complaint alleges that the Defendants made false or misleading statements and omissions of fact regarding certain aspects of Sprout Social's business, operations, and prospects, including: (i) Sprout Social's ability to identify and secure business from larger upmarket customers; (ii) the ability of Sprout Social's software platform to adequately service larger clients; and (iii) Sprout Social's August 2023 acquisition of Tagger Media, Inc. Lead Plaintiff brings its claims under Sections 10(b) and 20(a) of the Securities Exchange Act and SEC Rule 10b-5 promulgated thereunder. There are currently no counterclaims or third-party claims.
- C. As (i) the deadline for Lead Plaintiff to file its Consolidated Complaint is January 24, 2025 (*see* ECF No. 32), (ii) Defendants expect to file a motion to dismiss that complaint for failure to state a claim, and (iii) all discovery and other proceedings are automatically stayed under the PSLRA pending the outcome of such motion to dismiss, the Parties are not yet able to specify the major legal and factual issues in the case, except that Defendants expect to challenge the adequacy of Lead Plaintiff's allegations under Fed. R. Civ. P. 9(b) and the PSLRA, which Lead Plaintiff expects to oppose.
- D. Lead Plaintiff seeks damages and costs on behalf of a putative class of persons and entities that purchased or otherwise acquired Sprout Social securities.

**II. Jurisdiction:**

- A. Federal question jurisdiction arises under 15 U.S.C. § 78aa because the claims asserted by Lead Plaintiff arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).
- B. Jurisdiction is not based on diversity or supplemental jurisdiction.

**III. Status of Service:** Defendants' counsel accepted service on behalf of all Defendants.

**IV. Motions:**

- A. Pending before the Court is the balance of the Parties' Joint Motion for Extension of Plaintiff's Time to File Consolidated Complaint and Defendants' Response Thereto, filed on December 20, 2024. (ECF No. 31.) The Court granted the motion in part on December 23, 2024, ordering Lead Plaintiff to file the consolidated complaint by January 24, 2025, and Defendants to file any answer or otherwise plead by March 25, 2025 but reserving decision on the remaining deadlines proposed in connection with Defendants' prospective motion to dismiss. (ECF No. 32.)
- B. As set forth above and in ECF No. 31, Defendants intend to file a motion to dismiss Lead Plaintiff's Consolidated Complaint for failure to state a claim under Fed. R. 12(b)(6), Fed. R. Civ. P. 9(b) and the PSLRA. The Parties proposed the following briefing schedule governing Defendants' prospective motion to dismiss:

1. Defendants shall file their opening brief in support of the motion to dismiss the consolidated complaint by March 25, 2025;

2. Lead Plaintiff shall file its opposition to Defendants' motion to dismiss by May 23, 2025; and
3. Defendants shall file any reply in support of their motion by July 17, 2025.

The parties respectfully request that the Court enter the above schedule.

**V. Case Plan:**

- A. Proposal for discovery plan: N/A.
- B. Trial details: Lead Plaintiff demands a trial by jury. The probable length of the trial cannot be determined at this time. After the Court issues a ruling on Defendants' motion to dismiss the Consolidated Complaint the parties will meet and confer, if necessary, at the appropriate time and propose a probable length of trial.

**VI. Consent and Settlement Discussions:**

- A. Having been advised of the ability to proceed before a Magistrate Judge, the Parties do not presently consent to Magistrate jurisdiction for purposes of Defendants' forthcoming motion to dismiss but will meet and confer on assignment to the Magistrate Judge for other purposes, including discovery.
- B. No settlement discussions have been conducted to date. The parties do not request a settlement conference at this time.

Dated: January 13, 2025

Respectfully submitted,

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